Quality of production in Ordnance factories

968. SHRI AMIR ALAM KHAN: Will the Minister of DEFENCE be pleased to state:

(a) the number of factories manufacturing arms, ammunition, missiles etc. for use of armed forces;

(b) whether the quality of arms and ammunition manufactured by the ordnance factories is not up to mark and their manufacturing cost is also very high;

(c) if so, the reasons for opening up of FDI in Defence production; and

(d) whether handing over Defence production to private sector would pose any danger to the national security?

THE MINISTER OF STATE IN THE MINISTRY DEFENCE (SHRI RAO INDERJIT SINGH): (a) There are 39 Ordnance Factories which are involved in production of various type of military hardware and two factories of Bharat Dynamics Ltd. that manufacture missiles. Two more Ordnance Factories are being established to produce ammunition and small arms.

(b) Ordnance Factories produce arms and ammunition and other military hardware as per laid down specifications and supply to the armed forces only after the products have been accepted by the quality assurance Agency. The manufacturing cost of the arms and ammunition produced by the Ordnance Factories is competitive in most of the cases.

(c) In May, 2001, the defence sector was opened to 100% participation by Indian private sector with cap of 26% on FDI as part of the on going process of economic reforms.

(d) Security concerns in allowing private sector to participate in defence production have been addressed by incorporating suitable provisions in the guidelines for licensing production of arms and ammunition in the private sector.

Success of Agni-III Missile

969. SHRI M.V. MYSURA REDDY: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that the success of Agni-III recently, India will enter into exclusive club of countries which have both Inter-Continental Ballistic Missiles, Submarine-launched Ballistic Missiles as well as Ballistic Missile Defence capabilities;

(b) whether it is also a fact that USA and Russia are the only two countries that have the above capabilities; and

(c) what efforts DRDO is making to increase their strike range since their range is lesser than USA and Russia?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (c) Information can not be divulged in the interest of National Security.